

H 8232

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Richardson Task Force Bill TV
CONGRESSIONAL RECORD HOUSE

August 3, 1976

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 347, nays 33, not voting 52, as follows:

[Roll No. 598]

YEAS—347

Abdnor	Eshleman	McHugh
Adams	Evans, Colo.	McKay
Addabbo	Fary	McKinney
Alexander	Fascell	Madden
Allen	Penwick	Maddigan
Ambro	Fish	Maguire
Anderson	Fisher	Mahon
Calif.	Fithian	Mann
Anderson, Ill.	Flood	Martin
Andrews, N.C.	Florio	Mathis
Andrews,	Flowers	Mazzoli
N. Dak.	Foley	Meeds
Annunzio	Ford, Mich.	Melcher
Ashley	Ford, Tenn.	Metcalf
Aspin	Forsythe	Meyner
AuCoin	Fraser	Mezvisky
Baalis	Frenzel	Michel
Baucus	Frey	Mikva
Beard, R.I.	Fuqua	Millard
Beard, Tenn.	Gaydos	Miller, Calif.
Bell	Gialmo	Millis
Bennett	Gibbons	Mineta
Bergland	Gilman	Minish
Bevill	Ginn	Mink
Blaggi	Goldwater	Mitchell, Md.
Blester	Gradison	Mitchell, N.Y.
Bingham	Green	Moakley
Blanchard	Gude	Moffett
Blouin	Hagedorn	Mollohan
Boggs	Haley	Montgomery
Boland	Hall, Ill.	Moore
Bonker	Hall, Tex.	Moorhead,
Bowen	Hamilton	Calif.
Brademas	Hammer-	Moorhead, Pa.
Breaux	schmidt	Morgan
Breckinridge	Hanley	Mottl
Brooks	Hannaford	Murphy, Ill.
Brown, Calif.	Harkin	Murphy, N.Y.
Brown, Mich.	Harrington	Murtha
Broyhill	Harris	Myers, Ind.
Buchanan	Harsha	Myers, Pa.
Burgener	Hayes, Ind.	Natcher
Burke, Fla.	Hayes, Ohio	Neal
Burke, Mass.	Hechler, W. Va.	Nedzi
Burlison, Tex.	Heckler, Mass.	Nichols
Burton, John	Hefner	Nix
Burton, Phillip	Helstoski	Nolan
Butler	Henderson	Nowak
Byron	Hicks	Oberstar
Carney	Hightower	Obey
Carr	Hillis	O'Brien
Carter	Holland	O'Neill
Cederberg	Holtzman	Ottlinger
Chappell	Horton	Patten, N.J.
Clancy	Howard	Patterson,
Clausen,	Howe	Calif.
Don H.	Hubbard	Pattison, N.Y.
Cleveland	Hughes	Pepper
Cochran	Hutchinson	Perkins
Cohen	Hyde	Pettis
Conte	Jacobs	Pickle
Corman	Jarman	Fike
Cornell	Jeffords	Poage
Cotter	Johnson, Calif.	Pressler
Coughlin	Johnson, Pa.	Preyer
D'Amours	Jones, N.C.	Price
Daniel, Dan	Jones, Okla.	Pritchard
Daniel, R. W.	Jordan	Quile
Daniels, N.J.	Kasten	Quillen
Danielson	Kastenmeier	Railsback
Davis	Kazen	Rangel
de la Garza	Kelly	Rees
Delaney	Kemp	Regula
Dellums	Ketchum	Reuss
Dent	Keys	Rhodes
Derrick	Koch	Richmond
Derwinski	Krebs	Rinaldo
Dickinson	Krueger	Risenhoover
Dingell	LaFalce	Roberts
Dodd	Lagomarsino	Robinson
Downey, N.Y.	Leggett	Rodino
Downing, Va.	Lehman	Roe
Drinan	Lent	Rogers
Duncan, Oreg.	Levitas	Roncallo
Duncan, Tenn.	Lloyd, Calif.	Rooney
du Pont	Lloyd, Tenn.	Rose
Early	Long, La.	Rosenthal
Eckhardt	Long, Md.	Rostenkowski
Edwards, Ala.	Lott	Roush
Edwards, Calif.	Lujan	Roybal
Ellberg	Lundine	Runnels
Emery	McClary	Ruppe
English	McCloskey	Ryan
Erlenborn	McCormack	St Germain
	McDade	Santini
	McFall	

Sarasin
Sarbanes
Scheuer
Schneebelt
Schroeder
Schulze
Sebellius
Seiberling
Sharp
Shipley
Shriver
Simon
Sisk
Skubitz
Smith, Iowa
Smith, Nebr.
Solaz
Spellman
Staggers
Stanton
J. William
Stanton
James V

Stark
Steed
Stokes
Stratton
Stuckey
Studds
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman

Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Willson, Bob
Willson, C. H.
Winn
Wirth
Wolff
Wright
Wylder
Wyllie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zefiretti

NAYS—33

Archer
Armstrong
Ashbrook
Bauman
Brown, Ohio
Clawson, Del.
Collins, Tex.
Conable
Crane
Devine
Evans, Ind.

Gonzalez
Goodling
Grassley
Guyer
Holt
Ichord
Jenrette
Kindness
Latta
McCollister
McDonald

McEwen
Miller, Ohio
Paul
Roussellot
Satterfield
Shuster
Snyder
Spence
Steiger, Wis.
Symms
Taylor, Mo.

NOT VOTING—52

Abzug
Badillo
Boiling
Brinkley
Brookhead
Broomfield
Burke, Calif.
Burlison, Mo.
Chisholm
Clay
Collins, Ill.
Conlan
Conyers
Diggs
Edgar
Esch
Evins, Tenn.
Findley

Flynt
Fountain
Hansen
Hawkins
Hébert
Heinz
Hinsaw
Hungate
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Karth
Landrum
Litton
Matsunaga
Mosher
Moss
O'Hara

Passman
Peyster
Randall
Riegle
Sikes
Slack
Steelman
Steiger, Ariz.
Stephens
Sullivan
Syrington
Teague
Udall
Vander Veen
Wilson, Tex.
Young, Ga.

The Clerk announced the following pairs:

Mr. Jones of Tennessee with Mr. Conlan.
Ms. Abzug with Mr. Esch.
Mr. Hébert with Mr. Peyser.
Mr. Fountain with Mr. Steelman.
Mr. Passman with Mr. Evins of Tennessee.
Mrs. Burke of California with Mr. Findley.
Mr. Sikes with Mr. Brinkley.
Mrs. Collins of Illinois with Mr. Hansen.
Mr. Slack with Mr. Steiger of Arizona.
Mr. Randall with Mr. Vander Veen.
Mr. Flynt with Mrs. Sullivan.
Mr. Young of Georgia with Mr. Broomfield.
Mr. Burlison of Missouri with Mr. Heinz.
Mr. Teague with Mr. Edgar.
Mrs. Chisholm with Mr. Brodhead.
Mr. Clay with Mr. Riegle.
Mr. Diggs with Mr. O'Hara.
Mr. Conyers with Mr. Karth.
Mr. Symington with Mr. Hawkins.
Mr. Johnson of Colorado with Mr. Hungate.
Mr. Jones of Alabama with Mr. Matsunaga.
Mr. Landrum with Mr. Stephens.
Mr. Litton with Mr. Mosher.
Mr. Moss with Mr. Udall.
Mr. Badillo with Mr. Charles Willson of Texas.

Mr. KINDNESS changed his vote from "yea" to "nay."

Mr. WHITE changed his vote from "nay" to "yea."

So the bill was passed.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

5 legislative days in which to revise and extend their remarks on H.R. 12944, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROPOSAL FOR A FOREIGN PAYMENTS DISCLOSURE ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-572)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Certain improper activities abroad undertaken by some American corporations have resulted in an erosion of confidence in the responsibility of many of our important business enterprises. In a more general way, these disclosures tend to destroy confidence in our free enterprise institutions.

With this in view, I established the Task Force on Questionable Corporate Payments Abroad on March 31, 1976, and directed it to undertake a sweeping policy review of approaches to deal with the questionable payments problem. On June 14, after reviewing an interim report of the Task Force, I directed the Task Force to develop, as quickly as possible, a specific legislative initiative calling for a system of reporting and disclosure to deter improper payments.

Today, I am transmitting to the Congress my specific proposal for a Foreign Payments Disclosure Act. This proposal will contribute significantly to the deterrence of future improper practices and to the restoration of confidence in American business standards.

This legislation represents a measured but effective approach to the problem of questionable corporate payments abroad:

—It will help deter improper payments in international commerce by American corporations and their officers.
—It will help reverse the trend toward allegations or assumptions of guilt-by-association impugning the integrity of American business generally.

—It will help deter would-be foreign extorters from seeking improper payments from American businessmen.

—It will allow the United States to set a forceful example to our trading partners and competitors regarding the imperative need to end improper business practices.

—It does not attempt to apply directly United States criminal statutes in foreign states and thus does not promise more than can be enforced.
—Finally, it will help restore the confidence of the American people and our trading partners in the ethical standards of the American business community.

The legislation will require reporting of certain classes of payments made by U.S. businesses and their foreign subsidiaries

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Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have

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and affiliates in relation to business with foreign governments. The reporting requirement covers a broad range of payments relative to government transactions as well as political contributions and payments made directly to foreign public officials. By requiring reporting of all significant payments, whether proper or improper, made in connection with business with foreign governments, the legislation will avoid the difficult problems of definition and proof that arise in the context of enforcement of legislation that seeks to deal specifically with bribery or extortion abroad.

The Secretary of Commerce will, by regulation, further define the scope of reporting required. Small or routine payments will be excluded, as will certain clearly *bona fide* payments such as taxes. Reports will include the names of recipients.

Reports will be made available to the Departments of State and Justice as well as to the Internal Revenue Service and the Securities and Exchange Commission. The Department of Justice and the State Department will, in appropriate instances, relay reported information to authorities in foreign jurisdictions to assist them in the enforcement of their own laws.

Reports also will be made available to appropriate congressional committees. All reports would be made available to the public one year from the date of their filing, except in cases where a specific written determination is made by the Secretary of State or the Attorney General that considerations of foreign policy or judicial process dictate against disclosure.

This proposed legislation is intended to complement and supplement existing laws and regulations which can affect questionable corporate payments abroad.

In this regard, I wish to recognize and build upon the fine record of the Securities and Exchange Commission. The Commission already has taken prompt and vigorous action to discover questionable or illegal corporate payments and to require public disclosure of material facts relating to them. Moreover, as the Commission has noted, public disclosure of matters of this kind generally leads to their cessation. In virtually all the cases reported to the Commission, companies discovering payments of this kind have taken effective steps to stop them and to assure that similar payments do not recur in the future.

A principal emphasis of the Commission's activities in this area has been to prompt the private sector to take actions that would restore the integrity of the existing system of corporate governance and accountability. I applaud this approach and expect the Secretary of Commerce to follow the same spirit in administering this new legislation.

However, not all firms engaged in international commerce are regulated under the securities laws and are subject to the disclosure requirements of the Commission. The Commission requires disclosure of payments only when necessary or appropriate for the protection of investors. Further, it has not generally required reporting of payments to a recipient, a requirement which I believe

can be an important deterrent to extorters. In addition, the Commission's system of disclosure—focusing as it does primarily on the interests of the investing public—is not designed to respond to some of the broader public policy and foreign policy interests related to the questionable payments problem.

Accordingly, the legislation which I am proposing deals with all U.S. participants in foreign commerce—not just firms subject to Commission regulatory requirements—and it calls for the active involvement of the Secretaries of State and Commerce and the Attorney General in administering a system which addresses the full range of public policy interests inherently involved in the questionable payments problem.

The Secretary of Commerce will take every feasible step to minimize the reporting burdens under this new legislation. The legislation directs the Secretary to consult with other federal agencies to eliminate duplicative reporting. Where appropriate, agencies are authorized to combine reporting and record-keeping in single forms.

In this regard, I also wish to recognize and build upon the Securities and Exchange Commission's acknowledged expertise in financial reporting. Persons subject to the Commission's jurisdiction must maintain books and records that are sufficient to provide data the Commission believes should be disclosed. The requirement that persons subject to SEC jurisdiction maintain adequate books and records is now implicit in existing law; the legislation recommended by the Commission, which the Task Force and I support, would make that requirement explicit. It is contemplated that the Commission will take further steps to assure that companies it regulates maintain adequate systems of internal accounting controls. Thus, it may well be unnecessary for the Secretary of Commerce to impose additional recordkeeping requirements on companies regulated by the Commission to enable compliance with the proposed legislation.

We remain mindful that the questionable payments problem is an international problem which cannot be corrected by the United States acting alone. Consequently, we are continuing our efforts to secure an international agreement which will establish a mutually acceptable framework for international cooperation in eliminating improper business practices.

The legislation I am proposing today can contribute in an important way to the restoration of confidence in America's vital business institutions. I urge its prompt consideration and enactment by the Congress.

GERALD R. FORD.

THE WHITE HOUSE, August 3, 1976.

PERMISSION FOR SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, AUGUST 4, 1976, FROM 10 A.M. UNTIL NOON

tee on Legislation and National Security of the Committee on Government Operations may be permitted to sit during proceedings in the House under the 5-minute rule on Wednesday, August 4, 1976, from 10 a.m. until noon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, I object.

Mr. BROOKS. Mr. Speaker, would the gentleman from California make that a reservation of objection, so that I may give an explanation?

Mr. ROUSSELOT. Mr. Speaker, I reserve the right to object.

Mr. BROOKS. Mr. Speaker, if the gentleman will yield, this is a hearing that we are having, not marking up any legislation, I say to my distinguished friend, and we hope to continue and conclude the hearings by 10 o'clock. If it runs over, I would like to have the authority to legally complete the legislation which the GSA, the OMB, and GAO have requested.

Mr. ROUSSELOT. Mr. Speaker, has the minority been consulted on this?

Mr. BROOKS. Mr. Speaker, if the gentleman will yield further, the minority has no objection and supports this and is the coauthor of the legislation.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

CONGRESS SHOULD TAKE A STRONG POSITION IN SUPPORT OF THE ISRAELI RESCUE MISSION AT ENTebbe AIRPORT AND A NEW TREATY MORE EFFECTIVELY LIMITING TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, my good friend and colleague from New York, Ed Koch of Manhattan, and I have taken this special order and have introduced an important resolution today. We have been joined in this introduction by over 80 of our House colleagues.

This resolution does five things:

First, it commends the Government and commandos of Israel for the success of the rescue mission.

Second, it expresses our disapproval of efforts to condemn or censure Israel for the action.

Third and fourth, it expresses our approval both of the position taken by the Government of the United States and of the joint United States-United Kingdom resolution before the United Nations Security Council.

Fifth, it requests our President to accelerate efforts leading to a new international agreement—with strong and enforceable sanctions—to curb terrorist acts.

I can assure my colleagues that this issue is far from being over—despite the end of debate before the Security Council debate which saw the United States-United Kingdom resolution condemning terrorism fail for lack of enough support.

Let me comment for a moment or two

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